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DEPARTMENT FOR WHA/CEN JASON MACK

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SUBJECT: PRESIDENT ARIAS TO CODEL BURTON: "FOREIGN AID IS
DEAD IN WASHINGTON"

SUMMARY

¶1. (SBU) During a May 6 dinner with CODEL Burton, then President-elect Oscar Arias lamented Costa Rica's inability to qualify for most U.S. foreign aid, and concluded that "foreign aid is dead in Washington." Arias stated several times that the U.S. and other Western governments need to change their policy priorities, focusing on aid and development instead of military expansion and protectionist trade policies. Reiterating one of his most frequently used arguments, Arias stated that Costa Rica is being punished for its success. Several members of the delegation repeatedly expressed their desire to give Costa Rica priority in the region, and asked Arias for a detailed "wish list" of necessary assistance programs. In response, however, Arias lamented that with U.S. foreign aid becoming increasingly difficult to qualify for, "Trade is all the U.S. can offer," and that is not enough. End Summary.

PLEA FOR U.S. ASSISTANCE

¶2. (U) On May 6, then President-elect Oscar Arias hosted six Members of the U.S. House of Representatives for dinner in his home. Among the U.S. delegation were Rep. Dan Burton (R-IN), Rep. Gregory Meeks (D-NY), Rep. Todd Akin (R-MO), Rep. Dianne Watson (D-CA), Rep. Kenny Marchant (R-TX) and Rep. Madeleine Bordallo (D-GU). Many of Arias's new cabinet appointees also attended the dinner, including First Vice President Laura Chinchilla, Minister of the Presidency Rodrigo Arias, Foreign Minister Bruno Stagno, Minister of Foreign Trade Marco Vinicio Ruiz, and Finance Minister Guillermo Zuniga, as well as Costa Rica's Ambassador to Washington, Tomas Duenas.

¶3. (SBU) While the Members of Congress thanked Arias for devoting an entire evening to them during his inauguration weekend, Arias expressed his pleasure that, for once, U.S. legislators wished to engage him on Costa Rica, rather than Nicaragua or Venezuela. Arias appealed for greater U.S. assistance. Costa Rica, as the most democratically stable of the Central American countries, and with a per capita income of almost USD5,000, has been "graduated" off of USAID's program, and is ineligible for other U.S. aid programs, including the Millennium Challenge Account. While Arias recognized that Costa Rica is successful relative to its neighbors, he argued that it is still a developing nation, with daunting challenges in infrastructure, crime prevention, education, health care and immigration.

14. (SBU) Arias spoke at length about what he sees as a lack of U.S. assistance to deserving countries, claiming that the USG was spending USD 500 billion on arms and military, but only USD 16 billion on aid. He then turned to farm subsidies, arguing that between the U.S., Europe and Japan, some USD 250 billion is spent annually to protect approximately 11 million farmers, while the world's three billion poor continue to suffer. He argued that the billions of dollars spent this way would be much better spent on helping the developing world.

15. (U) Arias asked about the number of Peace Corps volunteers in Costa Rica and a description of the programs they are working on. Ambassador Langdale answered that there are currently 83 Peace Corps volunteers in Costa Rica generally involved in rural development, children at risk and micro-loan projects. Arias stated that if the USG really wished to help it would send "200 teachers to teach English, physics and math."

HUGO CHAVEZ

16. (SBU) Arias stated that democracy has not "delivered the goods" to Latin America, which has resulted in the region's recent tilt toward the left. He argued that U.S. interest in Latin America depends on the current global geopolitics and that engagement waxes and wanes. In years past aid to Latin America was abundant so long as the governments receiving aid were anti-Communist. Today there is minimal assistance. With the current rise of populism and the increasing influence of Hugo Chavez, Arias argued that Costa Rica, with its established democratic and public institutions, could serve as a bulwark of democracy in Latin America and that it

was in the U.S. interest to ensure that the country remains an example of a successful democracy that benefits its people.

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17. (SBU) Despite his deliberate and unusually slow conversational style, Arias mostly dominated the Costa Rican side of the meeting, ceding the floor only when an adviser or minister was able to supply information specific to the topic at hand. In one such instance, Arias demurred to his First Vice President, Laura Chinchilla, on the topic of the International Criminal Court (ICC). In response to one Member's question about the possibility of the Arias administration executing an Article 98 non-surrender agreement with the U.S., Chinchilla stated that Costa Rica has been such a strong supporter of the ICC from its inception that for the GOCCR to make side agreements that undermine the authority of the court would appear hypocritical. However, Chinchilla allowed as how, since there are no U.S. troops present in Costa Rica, the argument could be made that the chance of future surrender of U.S. personnel to the ICC is so remote as to render such an agreement merely symbolic. She expressed her hope that President Bush would grant Costa Rica an exemption from Article 98 restrictions. Ambassador Langdale commented that no such waiver has ever been given by the President to any country.

COMMENT

18. (SBU) President Arias appeared doubtful that his efforts to secure aid from the U.S. would bear fruit. At times, in fact, he seemed to dismiss the invitation of several Members to submit a "wish-list" of assistance programs. Embassy has told him repeatedly that large increases in direct aid are not in the cards. Arias is under a tremendous amount of pressure because he does not have the resources to make good

on his campaign promises. Arias is and always has been fiercely democratic and pro-free trade, but he also wants immediate help from the USG to help Costa Rica move toward developed country status. The USG invested hundreds of millions of dollars of aid in Costa Rica in the 1980's, which created the most stable and prosperous country in the region.

Arias's agenda for Costa Rica is designed to put the country back on course to a more prosperous future.

LANGDALE